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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

March 28, 2016

Oren S. Gatten  
Magnum Perlite LLC  
1060 S Northstar  
Layton, Utah 84041

Subject: Conditional Final Approval of Permit Transfer, Magnum Perlite LLC, Pearl Queen Perlite Mine, M/001/0027, Beaver County, Utah

Dear Mr. Gatten:

The Division of Oil, Gas and Mining conditionally approves transfer of the Notice of Intention to Commence Large Mining Operations (Notice) for the Pearl Queen Perlite mine from Oren S. Gatten to Magnum Perlite LLC. On March 25, 2016, the Division's Associate Director of Mining approved re-allocation of the existing reclamation surety from Oren S. Gatten to Magnum Perlite LLC and also signed the reclamation contract for Magnum Perlite LLC as the operator.

The following condition applies:

**By April 21, 2016, you are directed to amend the Notice by correcting the cover page to indicate that Magnum Perlite LLC is the current operator, and also that all references to Basin Perlite Company (or abbreviations thereof) will hereafter refer to any subsequent operator.**

Magnum Perlite LLC is now solely responsible to conduct mining and reclamation operations as outlined in the approved Notice. Hereafter, the Division will consider any current references to Basin Perlite (a former operator listed throughout the Notice) in the approved Notice to effectively refer to Magnum Perlite LLC or any subsequent operator.

Enclosed with this letter is the superseded reclamation contract for Oren S. Gatten as the operator.

As a reminder, the Division has fully approved reclamation on parts of past mine disturbance, and has partially approved recent reclamation in both the Schoo and Pearl Queen areas. As part of the permit transfer, the cash surety has been re-allocated to Magnum Perlite LLC in the amount of \$25,000 to cover reclamation liability on remaining disturbances in both areas.

Currently, the reclamation surety is only adequate to cover remaining reclamation of existing disturbances. Prior to recommencement of mining operations within the disturbance boundaries of the approved Notice, additional reclamation surety appropriate for the activities planned will be needed. Also, prior to expanding operations outside of the existing disturbance boundary, the current approved

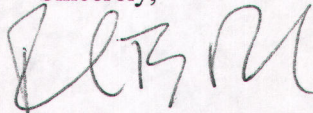


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Notice must be amended to reflect mining and reclamation plans, and additional required reclamation surety must be submitted. The Division will need to take into account the effects of any future expansion into heretofore undisturbed areas on cultural and other resources.

Thank you for cooperation in completing this permit transfer. Please refer to file M/001/0027 in any correspondence regarding this operation. Please contact Peter Brinton at 801-538-5258 or me at 801-538-5261 if you have questions regarding this approval.

Sincerely,



Paul Baker  
Minerals Program Manager

PBB:pnb:pb

Enclosure: Copy of Reclamation Contract

cc: Oren S. Gatten, Transferor; 1060 South Northstar, Layton, Utah 84041 with old reclamation contract  
Ed Ginouves, BLM-Cedar City (UTU-80276) ([eginouve@blm.gov](mailto:eginouve@blm.gov))  
Opie Abeyta, BLM-UTSO ([oabeyta@blm.gov](mailto:oabeyta@blm.gov))

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